

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



1.9422  
A8F492  
Reserve

CANNED VEGETABLE SUBSIDY PROGRAM - LCS83a

I. INTRODUCTION

The War Food Administration has authorized the making of payments to canners, with Commodity Credit Corporation funds, during the period March 1, 1944, to April 30, 1945, on canned green peas, canned snap beans, canned sweet corn, canned tomatoes, and canned tomato juice, and such other products canned from the above major vegetables, as the Director of Economic Stabilization may authorize.

II. GENERAL DESCRIPTION OF THE PROGRAM

The subsidy program established (a) definite rates of payment applicable to civilian sales under Maximum Price Regulation No. 306, which rates reflect increases in cost of raw materials but do not cover approved wage increases, and (b) for sales under a new price regulation, payment on eligible civilian sales to be the difference between the applicable gross maximum price and civilian maximum price set forth in such new price regulation.

Payments will be based on the finished product produced from the specified major vegetables instead of on the raw product itself. This basis makes it possible to restrict subsidy payments to these canned products, the increased raw product cost of which is reflected in prices paid by civilian consumers and which products are of significance with respect to the cost of living. This basis also greatly simplifies the administration of the program. Payment of subsidy is based upon completed sales to purchasers other than Government procurement agencies conforming to terms and conditions as specified in an agreement with CCC(OD).

The estimated maximum expenditure on tomatoes, tomato juice, green peas, snap beans, and sweet corn will be from \$15,000,000.00 to \$20,000,000.00.

Subsidy payment will be made to canners (a) who are certified, for all canning operations with respect to the four major vegetables, under the grower price support program, and (b) who have entered into agreement with CCC(OD). The program provides for payment on eligible sales made during the period March 1, 1944, to April 30, 1945.

III. ACCOUNTING AND REPORTING

Accounting under the canned vegetable subsidy program will be performed by the Fund Accounting Section, Washington, D. C., covered by a master general ledger maintained by the Program Accounting Section, in accordance with Finance Instructions 560.7, 561.7, 562.7, 563.7 and 564.7. Subsidiary ledger accounts covering payments made shall be maintained by that Section organized by major type of vegetable.

Reporting under this program will be in accordance with Finance Instruction 569.7.

Program Accounting  
General  
Subsidy, Diversion and  
Price Support Program

